

REFERENCE TITLE: AHCCCS: employer sponsored insurance program

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1348

Introduced by
Senators Cannell, Aguirre, Miranda, Mitchell: Aboud, Arzberger,
Brotherton, Garcia, Hale, Rios, Soltero

AN ACT

AMENDING SECTION 36-2901, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2923; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 36-2901, Arizona Revised Statutes, is amended to
3 read:

4 36-2901. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Administration" means the Arizona health care cost containment
7 system administration.

8 2. "Administrator" means the administrator of the Arizona health care
9 cost containment system.

10 3. "Contractor" means a person or entity that has a prepaid capitated
11 contract with the administration pursuant to section 36-2904 to provide
12 health care to members under this article either directly or through
13 subcontracts with providers.

14 4. "Department" means the department of economic security.

15 5. "Director" means the director of the Arizona health care cost
16 containment system administration.

17 6. "Eligible person" means any person who is:

18 (a) Any of the following:

19 (i) Defined as mandatorily or optionally eligible pursuant to title
20 XIX of the social security act as authorized by the state plan.

21 (ii) Effective on October 1, 2002, defined in title XIX of the social
22 security act as an eligible pregnant woman, as a child under the age of six
23 years and whose family income does not exceed one hundred thirty-three per
24 cent of the federal poverty guidelines or as children who have not attained
25 nineteen years of age and whose family income does not exceed one hundred per
26 cent of the federal poverty guidelines.

27 (iii) Under twenty-one years of age and who was in the custody of the
28 department of economic security pursuant to title 8, chapter 5 or 10 when the
29 person became eighteen years of age.

30 (iv) Defined as eligible pursuant to section 36-2901.01.

31 (v) Defined as eligible pursuant to section 36-2901.04.

32 (b) A full-time officer or employee of this state or of a city, town
33 or school district of this state or other person who is eligible for
34 hospitalization and medical care under title 38, chapter 4, article 4.

35 (c) A full-time officer or employee of any county in this state or
36 other persons authorized by the county to participate in county medical care
37 and hospitalization programs if the county in which such officer or employee
38 is employed has authorized participation in the system by resolution of the
39 county board of supervisors.

40 (d) An employee of a business within this state.

41 (e) A dependent of an officer or employee who is participating in the
42 system.

43 (f) Not enrolled in the Arizona long-term care system pursuant to
44 article 2 of this chapter.

1 (g) Defined as eligible pursuant to section 1902(a)(10)(A)(ii)(XV) and
2 (XVI) of title XIX of the social security act and who meets the income
3 requirements of section 36-2929.

4 (h) **DETERMINED TO BE ELIGIBLE PURSUANT TO SECTION 36-2923.**

5 7. "Malice" means evil intent and outrageous, oppressive or
6 intolerable conduct that creates a substantial risk of tremendous harm to
7 others.

8 8. "Member" means an eligible person who enrolls in the system.

9 9. "Noncontracting provider" means a person who provides health care
10 to members pursuant to this article but not pursuant to a subcontract with a
11 contractor.

12 10. "Physician" means a person licensed pursuant to title 32, chapter
13 or 17.

14 11. "Prepaid capitated" means a mode of payment by which a health care
15 contractor directly delivers health care services for the duration of a
16 contract to a maximum specified number of members based on a fixed rate per
17 member notwithstanding:

18 (a) The actual number of members who receive care from the contractor.
19 (b) The amount of health care services provided to any member.

20 12. "Primary care physician" means a physician who is a family
21 practitioner, general practitioner, pediatrician, general internist, or
22 obstetrician or gynecologist.

23 13. "Primary care practitioner" means a nurse practitioner certified
24 pursuant to title 32, chapter 15 or a physician assistant certified pursuant
25 to title 32, chapter 25. This paragraph does not expand the scope of
26 practice for nurse practitioners as defined pursuant to title 32, chapter 15,
27 or for physician assistants as defined pursuant to title 32, chapter 25.

28 14. "Section 1115 waiver" means the research and demonstration waiver
29 granted by the United States department of health and human services.

30 15. "Special health care district" means a special health care district
31 organized pursuant to title 48, chapter 31.

32 16. "State plan" has the same meaning prescribed in section 36-2931.

33 17. "System" means the Arizona health care cost containment system
34 established by this article.

35 Sec. 2. Title 36, chapter 29, article 1, Arizona Revised Statutes, is
36 amended by adding section 36-2923, to read:

37 36-2923. Employer sponsored insurance program; program
38 termination

39 A. THE ADMINISTRATION MAY USE MONIES THAT ARE AVAILABLE PURSUANT TO
40 THIS ARTICLE TO ESTABLISH AN EMPLOYER SPONSORED INSURANCE PROGRAM TO PROVIDE
41 A MONTHLY HEALTH INSURANCE PREMIUM SUBSIDY FOR PERSONS WHO MEET THE
42 ELIGIBILITY REQUIREMENTS OF SUBSECTION B OF THIS SECTION. IF THE
43 ADMINISTRATION IS UNABLE TO SECURE SUFFICIENT TITLE XIX MONIES FOR THIS
44 PROGRAM, THE PROGRAM IS SUBJECT TO THE AVAILABILITY OF STATE APPROPRIATIONS.

1 B. TO BE ELIGIBLE FOR THE PROGRAM, A PERSON MUST HAVE A HOUSEHOLD
2 INCOME THAT DOES NOT EXCEED TWO HUNDRED PER CENT OF THE FEDERAL POVERTY
3 GUIDELINES AND BE EMPLOYED BY AN EMPLOYER THAT MEETS ALL OF THE FOLLOWING
4 REQUIREMENTS:

- 5 1. HAS AT LEAST TWO BUT LESS THAN TWENTY-FIVE EMPLOYEES.
6 2. WILL CONTRIBUTE AT LEAST FIFTY PER CENT OF THE COST OF INSURANCE
7 COVERAGE.
8 3. OFFERS ITS EMPLOYEES HEALTH INSURANCE THAT COVERS BASIC HEALTH CARE
9 SERVICES AS PRESCRIBED BY THE ADMINISTRATION BY RULE.

10 C. NOTWITHSTANDING SECTION 36-2907, A PERSON WHO PARTICIPATES IN THE
11 PROGRAM IS ELIGIBLE ONLY FOR THE BENEFITS OFFERED BY THE EMPLOYER AND IS NOT
12 ENTITLED TO TITLE XIX BENEFITS.

13 D. IF THE DIRECTOR DETERMINES THAT MONIES MAY BE INSUFFICIENT FOR THE
14 PROGRAM, THE ADMINISTRATION MUST STOP PROCESSING NEW APPLICATIONS UNTIL THE
15 ADMINISTRATION IS ABLE TO VERIFY THAT FUNDING IS SUFFICIENT TO FUND THE
16 SUBSIDIES.

17 E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2016
18 PURSUANT TO SECTION 41-3102.

19 Sec. 3. Exemption from rule making

20 For the purposes of this act, the Arizona health care cost containment
21 system administration is exempt from the rule making requirements of title
22 41, chapter 6, Arizona Revised Statutes, for one year after the effective
23 date of this act.